



FAXED
11/26/97

November 21, 1997

2000-4800-59240-07
971111

Kaiser Project (05)

Mr. David Basden
Kaiser Energy Ltd.
P.O. Box 21468
Tulsa, Oklahoma 74121-1468

Dear Mr. Basden:

**RE: CONCURRENT PRODUCTION WITH GOOD
ENGINEERING PRACTICE; SECTION 26-85-14 W6M
BOUNDARY LAKE - HALFWAY 'E' POOL**

Attached is a Concurrent Production with Good Engineering Practice (GEP) scheme approval for the subject pool, as requested in your application dated September 18, 1997.

The Approval #97-07-016 is hereby granted under Section 97 of the Petroleum and Natural Gas Act.

This approval is intended to allow operational flexibility in order to maximize oil recovery. Please note that the project allowables may be amended if additional wells are successfully completed in the subject pool.

Yours sincerely,

B. van Oort, P. Eng.
Director
Engineering and Operations Branch

Copies for Approval Letter to Industry (11)
RE: GEP, Salt Water Disposals, etc.

- G. Miltenberger
- Data Management
- R. Stefik
- D. Richardson
- P. Attariwala
- G. Farr
- S. Chicorelli
- Resource Revenue
- 59240
- Wellfiles (originals)
- Daily

Attachment

APPROVAL 97-07-016

THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
MINISTRY OF EMPLOYMENT AND INVESTMENT
ENERGY AND MINERALS DIVISION


IN THE MATTER of a Concurrent Production scheme with Good Engineering Practice (GEP) of Kaiser Energy Ltd. (Kaiser) for producing the Boundary Lake Halfway 'E' pool with a project oil and gas allowable.

NOW, THEREFORE, the Division Head, pursuant to Section 97 of the Petroleum and Natural Gas Act (the Act), hereby approves a Concurrent Production project of Kaiser for oil and gas production with project allowables, as such project is described in

an Application from Kaiser to the Division dated September 18, 1997, and related submission.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of sec 26-85-14 W6M.
2. The project daily oil allowable is 15.8 m³.
3. Gas production from the scheme is limited to 22.2 10³ m³/d. (*using GOR = 1404 m³/m³*)
4. All associated gas produced must be conserved.
5. An oil well may be drilled anywhere within the project area provided that it is not completed nearer than 100 m to the sides of the approved area.
6. This approval may be modified or rescinded at a later date if deemed appropriate.



B. van Oort, on behalf of
the Division Head
Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this 21 day of November, 1997.